



Playtex Products, Inc.

300 Nyala Farms Road
Westport, CT 06880

FOR IMMEDIATE RELEASE

Press Release

For more information, contact:

Laura Kiernan
Director Investor Relations
(203) 341-4262

**Playtex Products, Inc. Reports Third Quarter 2003 Results;
Announces New Tampon Product Launch**

WESTPORT, CT (October 27, 2003) – Playtex Products, Inc. (NYSE: PYX), a leading diversified personal care and consumer products company, today reported that in the third quarter of 2003, the Company earned \$3.1 million, or \$0.05 per diluted share. These results compare with third quarter 2002 earnings of \$8.9 million, or \$0.14 per diluted share. For the nine month period ended September of 2003, the Company earned \$19.2 million or \$0.31 per diluted share compared with 2002 results for the same period of \$41.7 million or \$0.67 per diluted share.

Net sales were \$150.1 million in the third quarter of 2003, which compare with prior year results of \$161.6 million. Feminine Care sales lagged year ago as a result of lower consumption combined with heavy promotion levels in the comparative 2002 period. In addition, pipeline shipments of the new *Heat Therapy* product were included in the year ago period. Infant Care net sales were 1% lower than a year ago; however, excluding the non-core baby wipes business, Infant Care sales were up 1%. Sun Care net sales were minimal in the third quarter as expected in this off-season shipment period. Household Products/Personal Grooming net sales declined versus the prior year due to a continuation of unfavorable category trends and significant pipeline shipments of the new *Woolite Oxy Deep* in the year ago period.

“As we reach the one-year anniversary of the competitive tampon launch, we have shown our ability to defend our business and move toward offense in order to grow again. The next step in our offense includes the launch of an innovative new tampon that has been in development in our laboratories over the past several years. We have begun introducing *Playtex Beyond* Tampons to the retail trade and we are seeing a very positive acceptance. *Beyond* will begin shipping in the first quarter of 2004. This new product features a comfortable contoured tip, a colorful flushable applicator and the incredible comfort and protection that *Playtex* is known for among consumers. The tampon will be targeted toward women who want the convenience and flushability of a cardboard product but are dissatisfied with the comfort of their current tampon. Infant Care market share and sales trends remain stable. The largest portion of our Infant Care business, Infant Feeding, is beginning to show growth as a result of our successful brand strategies. We have continued to rejuvenate and reposition our Infant Care products and are excited about the launch of several new products that will begin to ship early next year,” stated CEO, Michael R. Gallagher.

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“We look forward to 2004 with enthusiasm as we have the programs and products that we believe will generate growth in our Feminine Care, Infant Care and Sun Care businesses. We anticipate improvements in Playtex’s results next year with the impact of new product launches in our major categories, an intensified focus on cost reduction opportunities, a normalized weather year, and hopefully an improved economic climate,” Mr. Gallagher concluded.

The Company’s fourth quarter will include charges associated with cost reduction efforts of approximately \$0.02 to \$0.03 per diluted share, which will result in estimated annualized savings beginning in 2004 of approximately \$4 million. Earnings estimates for the full year 2003 should be adjusted by these charges.

The Company is providing initial guidance for 2004 earnings per diluted share in the \$0.50 to \$0.55 range.

Playtex will hold a conference call with analysts and investors at 11:00 a.m. EST on Tuesday, October 28, 2003. To access the simultaneous webcast or replay of this call, please go to the “Investor Relations” portion of our web site: www.playtexproductsinc.com.

Playtex Products, Inc. is a leading manufacturer and distributor of a diversified portfolio of personal care and consumer products, including *Playtex* infant feeding products, *Wet Ones*, *Baby Magic*, *Diaper Genie*, *Mr. Bubble*, *Playtex* tampons, *Banana Boat*, *Woolite* rug and upholstery cleaning products, *Playtex* gloves, *Binaca* and *Ogilvie*.

With the exception of the historical information contained in the release, the matters described herein contain forward-looking statements that are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve a number of risks, uncertainties or other factors beyond the Company’s control, which may cause material differences in actual results, performance or other expectations. These factors include, but are not limited to, general economic conditions, interest rates, competitive market pressures, the loss of a significant customer, raw material and manufacturing costs, capacity limitations, the ability to integrate acquisitions, adverse publicity and product liability claims, capital structure, the impact of weather conditions on sales, and other factors detailed in the Company’s reports filed with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Company assumes no obligation to update such information.

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PLAYTEX PRODUCTS, INC.
CONSOLIDATED NET SALES

(Unaudited, in thousands)

| | Three Months Ended | | Nine Months Ended | |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
| | Sept. 27, 2003 | Sept. 28, 2002 | Sept. 27, 2003 | Sept. 28, 2002 |
| Infant Care | \$ 65,560 | \$ 66,144 | \$197,220 | \$ 205,772 |
| Feminine Care | 61,035 | 70,217 | 163,437 | 198,389 |
| Sun Care | 2,295 | 1,292 | 90,371 | 90,350 |
| Household Products & Personal Grooming | 21,161 | 23,914 | 59,985 | 65,359 |
| Total | <u>\$ 150,051</u> | <u>\$ 161,567</u> | <u>\$511,013</u> | <u>\$ 559,870</u> |

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PLAYTEX PRODUCTS, INC.
CONSOLIDATED STATEMENTS OF EARNINGS
THREE MONTHS ENDED

(Unaudited, in thousands, except per share data)

| | <u>Sept. 27, 2003</u> | <u>Sept. 28, 2002</u> |
|--------------------------------------|---------------------------|---------------------------|
| Net sales | \$ 150,051 | \$ 161,567 |
| Cost of sales | <u>72,047</u> | <u>76,072</u> |
| Gross profit | 78,004 | 85,495 |
| Operating expenses: | | |
| Selling, general and administrative | 58,161 | 56,494 |
| Amortization of intangibles | <u>226</u> | <u>241</u> |
| Total operating expenses | <u>58,387</u> | <u>56,735</u> |
| Operating earnings | 19,617 | 28,760 |
| Interest expense, net | 14,226 | 14,186 |
| Other expenses | <u>448</u> | <u>536</u> |
| Earnings before taxes | 4,943 | 14,038 |
| Income tax expense | <u>1,809</u> | <u>5,152</u> |
| Net earnings | <u>\$ 3,134</u> | <u>\$ 8,886</u> |
| EPS: Basic | \$ 0.05 | \$ 0.15 |
| Diluted | \$ 0.05 | \$ 0.14 |
| Weighted average shares outstanding: | | |
| Basic | 61,216 | 61,211 |
| Diluted | 61,216 | 61,496 |
| Memo Accounts: | | |
| Net earnings | \$ 3,134 | \$ 8,886 |
| Income tax expense | 1,809 | 5,152 |
| Other expenses | 448 | 536 |
| Interest expense, net | 14,226 | 14,186 |
| Amortization of intangibles | 226 | 241 |
| Depreciation | <u>3,569</u> | <u>3,497</u> |
| EBITDA (1) | <u>\$ 23,412</u> | <u>\$ 32,498</u> |
| Capital expenditures | \$ 4,435 | \$ 4,797 |

- (1) EBITDA is defined as operating earnings plus depreciation and amortization of intangibles. EBITDA should not be considered as an alternative to or superior measure of: operating earnings, net income, or cash provided by operating, investing and financing activities (as determined in accordance with generally accepted accounting principles in the United States). We believe that EBITDA is a measure commonly reported and widely used by investors and other interested parties as a measure of a company's operating performance and debt servicing ability because it assists in comparing performance on a consistent basis without regard to depreciation and amortization, which can vary significantly depending upon accounting methods or nonoperating factors (such as historical cost). Additionally, EBITDA is a significant performance metric associated with our Senior Credit Facility.

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PLAYTEX PRODUCTS, INC.
CONSOLIDATED STATEMENTS OF EARNINGS
NINE MONTHS ENDED

(Unaudited, in thousands, except per share data)

| | Sept. 27, 2003 | Sept. 28, 2002 |
|---|-------------------|-------------------|
| Net sales | \$ 511,013 | \$ 559,870 |
| Cost of sales | 243,016 | 249,494 |
| Gross profit | 267,997 | 310,376 |
| Operating expenses: | | |
| Selling, general and administrative | 194,633 | 185,377 |
| Restructuring and asset impairment (1) | - | 7,599 |
| Amortization of intangibles | 677 | 692 |
| Total operating expenses | 195,310 | 193,668 |
| Operating earnings | 72,687 | 116,708 |
| Interest expense, net | 41,060 | 45,540 |
| Expenses related to retirement of debt (2) | - | 5,882 |
| Other expenses | 1,473 | 2,107 |
| Earnings before taxes and cumulative effect of change in accounting principle | 30,154 | 63,179 |
| Income tax expense (3) | 10,963 | 9,015 |
| Earnings before cumulative effect of change in accounting principle | 19,191 | 54,164 |
| Cumulative effect of change in accounting principle, net of \$7,141 tax benefit (4) | - | (12,423) |
| Net earnings | \$ 19,191 | \$ 41,741 |
| EPS: Basic | \$ 0.31 | \$ 0.68 |
| Diluted | \$ 0.31 | \$ 0.67 |
| Weighted average shares outstanding: | | |
| Basic | 61,216 | 61,126 |
| Diluted | 61,230 | 64,173 |
| Memo Accounts: | | |
| Net earnings | \$ 19,191 | \$ 41,741 |
| Cumulative effect of change in accounting principle, net of \$7,141 tax benefit (4) | - | 12,423 |
| Income tax expense (3) | 10,963 | 9,015 |
| Other expenses | 1,473 | 2,107 |
| Expenses related to retirement of debt (2) | - | 5,882 |
| Interest expense, net | 41,060 | 45,540 |
| Amortization of intangibles | 677 | 692 |
| Depreciation | 10,566 | 10,521 |
| EBITDA (5) | \$ 83,930 | \$ 127,921 |
| Capital expenditures | \$ 13,771 | \$ 10,581 |

- (1) On March 25, 2002 we announced the closing of our plastic molding facility which resulted in charges for restructuring and asset impairment.
- (2) On May 29, 2002, we issued a new \$450.0 million Term C Loan and, together with cash, we fully repaid our \$76.0 million Term A Loan and our \$395.8 million Term B Loan. As a result of this transaction, we recorded a pre-tax loss of \$5.9 million during our second quarter ended June 29, 2002.
- (3) On March 7, 2002 the U.S. Treasury issued new regulations which permitted Playtex to utilize a previously incurred capital loss. The impact of the regulations resulted in a tax benefit of \$14.3 million during our first quarter ended March 30, 2002 with a subsequent cash tax savings in 2003.
- (4) We adopted new accounting standards for goodwill and other intangible assets at the beginning of our 2002 fiscal year. The adoption of the new accounting standards resulted in the write-down of certain intangible assets.
- (5) EBITDA is defined as operating earnings plus depreciation and amortization of intangibles. EBITDA should not be considered as an alternative to or superior measure of: operating earnings, net income, or cash provided by operating, investing and financing activities (as determined in accordance with generally accepted accounting principles in the United States). We believe that EBITDA is a measure commonly reported and widely used by investors and other interested parties as a measure of a company's operating performance and debt servicing ability because it assists in comparing performance on a consistent basis without regard to depreciation and amortization, which can vary significantly depending upon accounting methods or nonoperating factors (such as historical cost). Additionally, EBITDA is a significant performance metric associated with our Senior Credit Facility.

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PLAYTEX PRODUCTS, INC.
CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

| | Sept. 27, 2003 <i>(Unaudited)</i> | December 28, 2002 |
|---|---|----------------------|
| Assets | | |
| Current assets: | | |
| Cash | \$ 41,391 | \$ 31,605 |
| Receivables, less allowance for doubtful accounts | 33,569 | 27,735 |
| Retained interest in receivables | 54,108 | 59,774 |
| Inventories | 67,386 | 85,160 |
| Due from related party | 80,017 | 80,017 |
| Deferred income taxes | 6,906 | 8,130 |
| Income taxes receivable | 3,715 | - |
| Other current assets | 6,484 | 7,782 |
| Total current assets | 293,576 | 300,203 |
| Net property, plant and equipment | 124,102 | 121,199 |
| Intangible assets, net: | | |
| Goodwill | 494,307 | 494,307 |
| Trademarks, patents & other | 138,497 | 139,174 |
| Total intangible assets, net | 632,804 | 633,481 |
| Deferred financing costs | 13,673 | 13,592 |
| Other noncurrent assets | 8,887 | 9,712 |
| Total assets | <u>\$ 1,073,042</u> | <u>\$ 1,078,187</u> |
| Liabilities and Stockholders' Equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 34,253 | \$ 47,088 |
| Accrued expenses | 61,845 | 54,217 |
| Due to related party | 78,386 | 78,386 |
| Income taxes payable | 8,023 | 1,086 |
| Current maturities of long-term debt | 2,250 | 4,500 |
| Total current liabilities | 184,757 | 185,277 |
| Long-term debt | 791,000 | 823,250 |
| Other noncurrent liabilities | 15,707 | 14,526 |
| Deferred income taxes | 54,062 | 49,601 |
| Total liabilities | 1,045,526 | 1,072,654 |
| Stockholders' equity: | | |
| Common stock, \$0.01 par value, authorized 100,000,000 shares, issued 61,215,856 shares at September 27, 2003 and December 28, 2002 | 612 | 612 |
| Additional paid-in capital | 526,233 | 526,233 |
| Retained earnings (deficit) | (497,580) | (516,771) |
| Accumulated other comprehensive earnings | (1,749) | (4,541) |
| Total stockholders' equity | 27,516 | 5,533 |
| Total liabilities and stockholders' equity | <u>\$ 1,073,042</u> | <u>\$ 1,078,187</u> |
| Memo accounts: | | |
| Long-term debt including current maturities of long-term debt | <u>\$ 793,250</u> | <u>\$ 827,750</u> |
| Receivables, comparative | <u>\$ 106,677</u> | <u>\$ 126,509</u> |